

**MINUTES
of the
FIRST MEETING
of the
LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE**

**June 5, 2006
State Capitol, Room 307
Santa Fe**

The first meeting of the Legislative Health and Human Services Committee (LHHS) for the 2006 interim was called to order by Representative Danice Picraux, on Monday, June 5, 2006, at 9:10 a.m. in Room 307 of the State Capitol in Santa Fe.

Present

Rep. Danice Picraux, Chair
Sen. Dede Feldman, Vice chair
Sen. Rod Adair
Rep. William "Ed" Boykin
Rep. Keith J. Gardner
Sen. Steve Komadina
Rep. Jim R. Trujillo

Absent

Sen. Mary Kay Papen

Advisory Members

Sen. Sue Wilson Beffort
Rep. Ray Begaye
Rep. Gail Chasey
Rep. Kandy Cordova
Rep. Miguel P. Garcia
Rep. John A. Heaton
Rep. Antonio Lujan
Rep. James Roger Madalena
Sen. Gerald Ortiz y Pino
Sen. Nancy Rodriguez
Rep. Edward C. Sandoval
Rep. Gloria C. Vaughn

Sen. Clinton D. Harden, Jr.
Sen. Timothy Z. Jennings
Sen. Gay G. Kernan
Sen. Linda M. Lopez
Rep. Terry T. Marquardt
Rep. Rick Miera
Sen. Leonard Tsosie

Staff

Jennie Lusk
Raul E. Burciaga
Tim Crawford

Guests

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

Monday, June 5

Welcome and Introductions

Committee members and staff introduced themselves and offered Representative Picraux their condolences on the passing of her father, Dr. Kent. Representative Picraux thanked the committee for their condolences. Representative Picraux advised the committee that she hoped to help keep the committee on time and on track because, as usual, it would be a busy interim. Representative Picraux reminded the committee to be respectful of the presentations and testimony in process by turning off cell phone ringers, taking calls outside of the committee room and asking direct questions of presenters while keeping their comments short.

Demographic Trends of New Mexico and Their Impact on Health and Human Services

Brian Sanderoff, president of Research and Polling, provided the committee with an overview of three major demographic trends in the nation and their impact on New Mexico and its health and human services economy:

1. the aging of the population, primarily those born between 1946 and 1964;
2. the surge in legal and illegal immigration; and
3. the migration from throughout the country to the southwest and Rocky Mountain areas.

Mr. Sanderoff expanded on a number of issues that were included in the handout presentation (available in the meeting file):

- how the lack of health care resources in the state, particularly the rural areas, impacts the population density;
- many New Mexicans cross state lines for state-of-the-art health care or cross the United States-Mexico border for inexpensive health care and prescription drugs;
- New Mexico has five incredibly diverse regions that mirror the nation's diversity (north central, northwest, southwest, east and Albuquerque metropolitan area);
- the Native American population is significantly impacted by federal cuts in the Indian Health Service (IHS) and Contract Health Services (CHS) programs and the migration of Native Americans to urban areas where there is limited or no access to IHS or CHS programs, thus placing more pressure on an already underfunded and limited private health care system;
- emergency rooms continue to be used for primary care, often due to lack of health insurance, creating a significant problem in the amount of delivered but uncompensated care;
- New Mexico has the highest percentage of Hispanics in the country and the highest percentage of Native Americans in the continental United States, both of which have considerable implications on education and health and human services because these segments of the population tend to have younger and larger families;
- the most important issues facing New Mexico include the educational system, the crime rate, water, health care, the DWI rate, the lack of good jobs, teacher salaries, illegal drug use, availability of affordable housing and immigration;

- the growth in the population is due to natural increases (births versus deaths) and net migration (incoming versus outgoing);
- county population increases ranged from a low of 1.71 percent in Lea County to 71.92 percent in Lincoln County and decreases ranged from a low of 6.64 percent in Union County to 25.03 percent in Harding County;
- the U.S. Census Bureau projects a population of 2.1 million in 2030 while the University of New Mexico Bureau of Business and Economic Research projects a population of 2.6 million, which Mr. Sanderoff attributed to a "history of undercounting" by the U.S. Census Bureau;
- the U.S. Census Bureau projects the state to be fourth in the nation in the percentage of the total population 65 years and older;
- twenty-three and one-half percent of New Mexicans have at least a four-year degree but only one county exceeds 50 percent (Los Alamos), four counties are between 22 and 37 percent (Dona Ana, Sandoval, Bernalillo and Santa Fe) and the rest of the state is below 16 percent;
- government jobs account for almost one-quarter of the employment rolls and health services account for just over 13 percent;
- New Mexico ranks fourth in federal government per capita expenditures, about \$10,436 per person, while neighboring states, Colorado, Arizona, Texas and Nevada, receive between \$5,500 and \$7,300 per person;
- approximately 25 percent of children under 18 years of age are in households with incomes below the poverty level;
- approximately \$222 million are spent in the state on food stamps, temporary assistance for needy families and medicaid, with medicaid accounting for almost 90 percent of that total;
- approximately 21 percent of New Mexicans are uninsured, ranking the state 49th in the nation, with the lowest rate among Native Americans, Hispanics, 18-to-34-year olds, rural areas, low-income households and the working poor;
- one-fifth of New Mexicans are enrolled in medicaid, with women and children comprising 73 percent of enrollees but only 27 percent of expenditures, while the elderly and disabled comprise 27 percent of the population but consume 70 percent of the expenditures;
- fifty-nine percent of New Mexico employers offer health insurance but the employers are generally those with higher numbers of employees and more years in business;
- on the positive side, New Mexico ranks well in the rate of cardiovascular or cancer deaths, immunization coverage, obesity rate and total mortality rate;
- on the challenging side, New Mexico ranks poorly in access to prenatal care, the uninsured, motor vehicle deaths, teen births, children in poverty, accidents, suicides and chronic liver disease; and
- additionally, primary health care concerns among Native Americans are diabetes, obesity, substance abuse, high blood pressure, mental health and depression, cancer, elder care and sexually transmitted diseases.

Comments and discussion from committee members included:

- the number of Native Americans moving to urban areas where IHS and CHS services are limited or nonexistent;

- Luna County is one of the poorest counties but had an increase in population probably due to immigration, retirement and proximity to Las Cruces;
- the state's prenatal care is the worst in the country despite some recent improvements; funding is available but many pregnant women are not seeking care until late in the second trimester or well into the third trimester;
- the federal government will continue to shrink the medicare and medicaid budgets, placing a greater burden on the states to provide funding and services;
- although New Mexico has a low obesity rate, obesity is connected to diabetes and high blood pressure, both of which are prevalent among Hispanics and Native Americans;
- the U.S. Census Bureau acknowledged that it recorded the worst undercount in New Mexico between 1990 and 2000, and it apparently will continue to undercount or underestimate projections over the next several decades;
- undocumented immigrants generally receive uncompensated health care in emergency rooms;
- significant amounts of health care services and prescription drugs are purchased in Mexico by border county residents, especially dental care;
- there may be too much dependence on public sector employment and not enough on the private sector, but a good amount of the private sector employment is due to government subsidies and contracts;
- the percentage of elderly in the state will grow, but the distribution by age will be spread more evenly by the year 2030; and
- the total amount of uncompensated care in the state is difficult to determine; but for UNM Hospital (UNMH) recently, it was about \$188 million and for all hospitals statewide, including UNMH, it was about \$350 million.

Presentation of Health Care Financing Study

Professor Tony Popp from New Mexico State University provided a status report on the update of the health care financing study. Professor Popp reviewed some preliminary expenditures for calendar year 2004 as compared to the expenditures for 2002 reported in the December 2004 study. Professor Popp advised that some of the numbers still had to be verified and that some of the variances from the last study would need to be explained. He also indicated that they were still working on the impact of those expenditures on the state's economy. Initial estimates are that \$9.2 billion was spent on health care in New Mexico in 2004, about an 18 percent increase over 2002.

Comments and discussion from committee members included:

- \$39.2 million was spent on health care professional instruction at UNM for 333 graduates plus an unknown number of undergraduates in other two- and four-year programs;
- Apollo College has a sizable number of students in allied health care programs, but their expenditures are not available;
- premium dollars paid to health insurance companies should be identified or accounted for in the expenditures;

- the almost \$1 billion increase in expenditures for private self-insured plans between 2002 and 2004 should be further investigated or verified;
- the health care financing dollars provided by both the public and private sector must be identified and coordinated to decrease the number of uninsured New Mexicans;
- there were concerns about duplicate figures from 2004 and the incompleteness of the report; and
- the health care financing study may fall under the statutory charge of the New Mexico Health Policy Commission, but it does not have the budget or resources for this type of study.

Professor Popp advised the committee that he would work with Raul Burciaga to ensure that the final report is verifiable and acceptable.

Review of Results of Committee Bills in 2006 Session

Jennie Lusk provided the members with a chart and a brief description of the committee's legislative priorities from the 2005 interim and the results of those initiatives in the 2006 session. The chart included a listing of appropriations requests and an indication of whether they were funded or vetoed.

Comments and discussion from committee members included:

- the committee must make a better effort to ensure that its request for priorities are given appropriate consideration by the Governor's Office, including a meeting with the governor as needed; and
- committee staff should provide a postsession summary of vetoed legislation and appropriations for committee members to discuss with the governor.

Discussion of Tentative Interim Work Plan and Meeting Schedule

Jennie Lusk reviewed the New-Mexico-Legislative-Council-approved meeting dates and areas of focus, along with a proposed 2006 interim work plan chart identifying the themes and topics to be addressed at the different meetings.

Comments and discussion from committee members included:

- devoting an entire day to Native American issues
- asking each state agency involved in health and human services, including the insurance division of the public regulation commission, to present what it is doing in the way of health care reform;
- assessing waiting time in emergency rooms
- assigning the receipt of memorial-directed studies and topics not within the committee's priorities to a subcommittee of the LHHS;
- reducing the number of uninsured New Mexicans as one of the major objectives of the committee, particularly in light of recent far-reaching initiatives by other states to cover their respective residents;
- involving the LHHS committee more in the budget process;

- expressing concerns that some of the executive branch initiatives over the past few years are targeted toward a single payer system;
- requesting a presentation from a Massachusetts legislator to discuss that state's recent health care coverage reform efforts; and
- recognizing that there are many important issues with which the committee must grapple that require setting priorities on what the committee will tackle.

The committee asked Ms. Lusk to request approval for the creation of a subcommittee to receive testimony on memorial-requested studies and to change the October 30-November 1 meeting dates to November 1-3.

Committee members were reminded that the Human Services Department and the Children, Youth and Families Department will provide a legislative briefing on the impact to the state of the federal Deficit Reduction Act of 2006 on Thursday, June 8, from 1:30 to 4:30 p.m. Per diem and mileage have been authorized for LHHS members to attend.

Adjournment

Representative Picraux adjourned the meeting at 1:25 p.m.